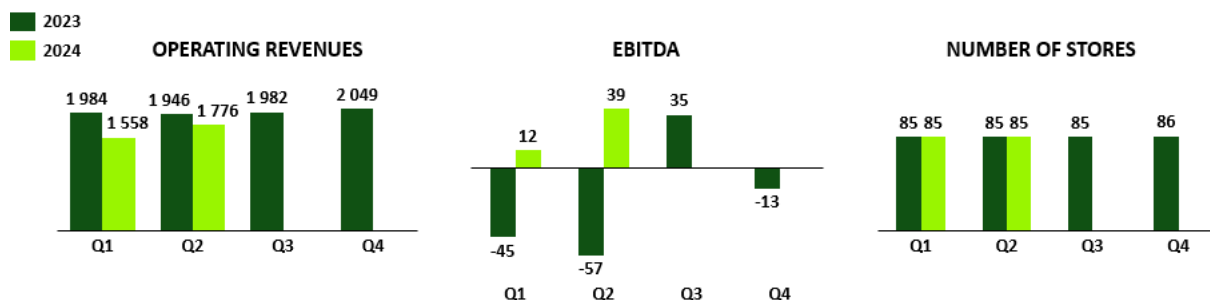


HIGHLIGHTS¹

- **Disappointing revenue development holding back full EBITDA improvement, but positive gross margin trend**
 - Total operating revenue of NOK 1 776 million (1 946 million)
 - Gross margin of 35.7 per cent (27.6 per cent)
 - EBITDA NOK 39 million (negative NOK 57 million)
- **Successful and oversubscribed private placement of NOK 500 million and subsequent offering of NOK 60 million to strengthen liquidity**
- **The “Reset & Rethink” strategy continuing to progress well**



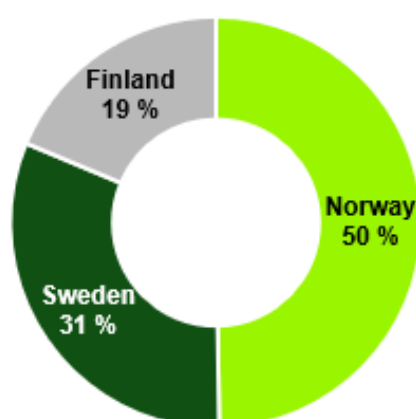
1) Please refer to definitions at the end of the report for descriptions of alternative performance measures that are used in highlights and key figures

KEY FIGURES GROUP

(Amounts in NOK million)

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
GROUP Continuing Operations					
Operating revenue	1 776	1 946	3 334	3 930	7 961
Growth (%)	-8,7 %	-6,9 %	-15,2 %	-0,7 %	-5,5 %
Gross profit	633	538	1 238	1 159	2 509
Gross margin (%)	35,7 %	27,6 %	37,1 %	29,5 %	31,5 %
OPEX %	33,4 %	30,6 %	35,6 %	32,1 %	32,5 %
EBITDA	39	-57	51	-102	-80
EBITDA margin (%)	2,2 %	-2,9 %	1,5 %	-2,6 %	-1,0 %
EBIT	-151	-249	-339	-488	-1 409
EBIT margin (%)	-8,5 %	-12,8 %	-10,2 %	-12,4 %	-17,7 %
Impairment losses	-	-	-	-	576
EBIT adj.	-151	-249	-339	-488	-833
EBIT adj. margin (%)	-8,5 %	-12,8 %	-10,2 %	-12,4 %	-10,5 %
Net Income	-283	-246	-491	-472	-1 590
Net Income adj.	-283	-246	-491	-472	-1 014
Basic Earnings per share (NOK)	-0,13	-0,63	-0,25	-1,37	-1,93
Average number of shares (1 000 shares)	2 245 044	387 932	1 954 303	344 979	822 974
Cash provided by operating activities	-174	193	-149	168	198
Like for like revenue growth	-9,4 %	-12,9 %	-17,1 %	-5,4 %	-9,3 %
Number of stores at period end	85	85	85	85	86
New stores in the period	-	-	-	1	2
Closed stores in the period	-	-	1	-	-

Revenue Split Q2 2024



KEY FIGURES SEGMENTS

(Amounts in NOK million)

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Norway					
Operating revenue	884	963	1 686	1 967	4 049
Growth (%)	-8,2 %	-10,3 %	-14,3 %	-4,3 %	-7,9 %
Gross profit	335	282	654	612	1 342
Gross margin (%)	37,9 %	29,3 %	38,8 %	31,1 %	33,1 %
OPEX %	21,2 %	20,0 %	23,7 %	21,7 %	22,6 %
EBITDA	148	90	253	185	425
EBITDA margin (%)	16,7 %	9,3 %	15,0 %	9,4 %	10,5 %
Number of stores at period end	39	38	39	38	39
New stores in the period	-	-	-	-	1
Closed stores in the period	-	-	-	-	-
Sweden					
Operating revenue	560	594	1 041	1 193	2 387
Growth (%)	-5,7 %	-5,6 %	-12,7 %	2,0 %	-4,1 %
Gross profit	180	144	364	311	672
Gross margin (%)	32,2 %	24,3 %	35,0 %	26,1 %	28,2 %
OPEX %	32,2 %	30,8 %	32,6 %	29,9 %	29,3 %
EBITDA	0	-39	25	-46	-28
EBITDA margin (%)	0,0 %	-6,6 %	2,4 %	-3,8 %	-1,2 %
Number of stores at period end	30	30	30	30	30
New stores in the period	-	-	-	1	1
Closed stores in the period	-	-	-	-	-
Finland					
Operating revenue	332	390	607	771	1 525
Growth (%)	-14,7 %	0,5 %	-21,3 %	5,3 %	-1,2 %
Gross profit	118	112	220	237	495
Gross margin (%)	35,5 %	28,6 %	36,2 %	30,8 %	32,5 %
OPEX %	30,3 %	27,6 %	32,3 %	28,4 %	28,1 %
EBITDA	17	4	24	18	67
EBITDA margin (%)	5,2 %	1,1 %	3,9 %	2,4 %	4,4 %
Number of stores at period end	16	17	16	17	17
New stores in the period	-	-	-	-	-
Closed stores in the period	-	-	1	-	-
HQ & logistics *					
EBITDA	-126	-112	-251	-260	-544
EBITDA margin (% of Group revenues)	-7,1 %	-5,7 %	-7,5 %	-6,6 %	-6,8 %

Strengthened EBITDA and early signs of potential market recovery, but somewhat disappointing sales in the quarter held back further profitability uplift

Oslo, 11 July 2024: XXL is continuing its ambitions on delivering the “Reset & Rethink” plan, which is progressing well. However, sales development in the second quarter has been disappointing, driven by low sales of capital-intensive goods in general and bikes in particular. Early signs of market recovery are seen in mainly Sweden and partly also Norway and pockets of category growth are seen cross all markets, mainly in trending categories, soft goods and low price points in general. XXL will have full focus ahead on turning around sales development in a continued challenging and campaign driven market.

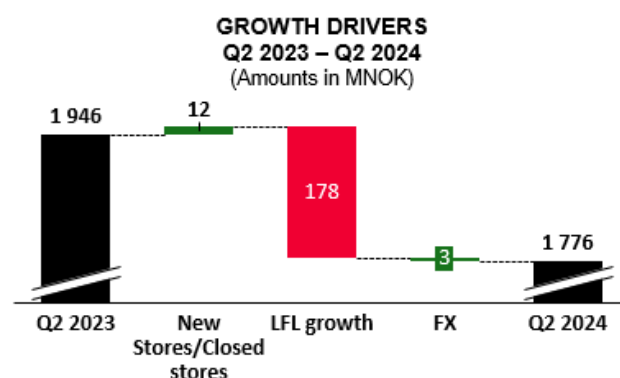
XXL delivered negative year over year growth of 9 percent in the second quarter 2024, and total operating revenue amounted to NOK 1.8 billion (NOK 1.9 billion). Especially soft goods and consumables as well as products on lower price points have increased in demand, while more capital-intensive products have continued to be in clear decline. Limited product availability on important price points and products in high demand continued to hold back sales potential as well. However, Sweden is showing early signs of improvement in both May and June, while Finland remained to be the most challenging of the three markets throughout the quarter.

EBITDA is year over year improved by NOK 96 million and amounted to NOK 39 million (negative NOK 57 million), mainly driven by a strengthened gross margin. XXL also concluded both a successful and oversubscribed NOK 500 million private placement as well as a subsequent offering of NOK 60 million in the quarter.

Second quarter 2024 review

(Figures in brackets = same period previous year, unless otherwise specified)

Total operating revenue in the second quarter 2024 ended at NOK 1 776 million (NOK 1 946 million) which represented a decline of 8.7 per cent. After nine consecutive quarters with negative market growth in the Nordics, XXL's markets in Norway and Sweden are showing some early indications of improvement, while Finland remains challenging. Especially soft goods, consumables and products on lower price points have increased in demand, while more capital-intensive products have continued to be in decline. XXL had growth in important categories like running and training, but decreased sales of capital-intensive hardware categories like bikes and outdoor equipment drove a net decline in sales. Sales development started off with negative growth in April, but improved in May and into June. XXL launched an aggressive campaign in mid-June 2023 with strong sales which impacts the comparable numbers year over year. Limited product availability on important price points and products in high demand has been holding back sales potential as well. XXL has continued to prioritize strict liquidity and inventory control, resulting in a reduction of inventory of NOK 319 million compared to Q2 2023.



XXL currently focuses on driving customers to stores and to drive omni channel sales to increase gross margin and strengthen loyalty. E-commerce represented 20.4 per cent (21.1 per cent) of total operating revenue for the Group. Overall XXL delivered a negative like-for-like growth of 9.4 per cent in the quarter.

The gross margin was strengthened and ended at 35.7 per cent (27.6 per cent), of which an additional write down of inventory in Q2 2023 explained around 3.4 percentage points of the gross margin improvement in Q2 2024. The market is still characterized by lower demand for products with higher price points and XXL continues to see a higher share of sales

on campaign products, impacting the gross margin negatively. Especially June proved to be a month with higher campaign pressure in the market. However, the underlying margin is improving due to healthy inventory levels as well as the "must win battle" pricing project within the new strategy. The gross margin last year was also affected by heavy discounting activities especially towards the end of the quarter.

Operating expenses as a percentage of sales increased to 33.4 per cent in the second quarter of 2024 (30.6 per cent) impacted by the negative sales growth hampering scale in operations. XXL has in the quarter also increased costs related to marketing, as well as taking non-recurring transaction costs related to the private placement and subsequent offering. In addition, XXL has negative comparable timing effects of released bonus accruals of NOK 15 million. However, operating expenses in absolute value are at the same level as last year, even though being negatively affected by rent and salary inflation as well as negative currency translation effects. The cost out program and restructuring effects are starting to materialize and absolute costs are down by NOK 76 million in H1 2024 versus H1 2023.

The Group EBITDA in the second quarter 2024 was NOK 39 million (negative of NOK 57 million), mainly explained by negative growth as described above, but with a materially improved gross margin and costs increasingly under control.

XXL had total liquidity reserves of NOK 483 million (NOK 722 million) and a net interest-bearing debt of NOK 894 million (NOK 923 million) by the end of Q2 2024. XXL also concluded both a successful and oversubscribed gross NOK 500 million private placement as well as a subsequent offering of gross NOK 60 million in the quarter. In the second quarter 2023 XXL received a temporary deferral of Swedish tax payments for 2021, which has resulted in a tax repayment for that year in the amount of SEK 345 million that improved the liquidity reserves accordingly. The deferred tax amount will become payable on 12 September 2024, provided that a standard extended 36 months payment plan is not accepted by Swedish tax authorities. XXL has booked the deferred tax payment as net interest-bearing debt. XXL's Swedish tax advisors are confident that the extension will be approved, as per standard.

XXL has continued to adapt purchasing volumes to sales and thereby normalized its inventory levels. The inventory decreased to NOK 1 804 million (NOK 2 123 million). XXL is currently working on several short-term turnaround actions and a longer-term strategic plan, called "Reset & Rethink", in order to improve profitability. Five must win battles are identified and is currently in execution as part of the "Reset":

- Reset category strategies
- Secure product availability
- Store sales strategies and operations
- Pricing
- E-commerce profitability

The identified must win battles are expected to deliver an EBITDA run-rate uplift of NOK 500-750 million during the next 12 months.

XXL has intentions to enter into a strategic partnership with UK retail leader Frasers Group and as a first step a sourcing agreement will be signed that allows XXL to source products and brands from Frasers Group's competitive portfolio of controlled brands. To further accelerate XXL's "Reset & Rethink" strategy the partnership also aims to realize mutually beneficial synergies to strengthen retail operations and performance. The two companies will also share learnings and best practices with each other, focusing on store elevation strategy as well as strengthening brand sourcing relationships.

"Rethink" is related to detailing out a longer-term strategic plan that will transform XXL into a resilient, profitable and a once again winning and growing concept in the market. The four long-term strategic pillars are;

- Restructure physical stores
- Accelerate E-commerce
- Double down on private label
- Leverage service offering

Operating segments

(Figures in brackets = same period previous year, unless otherwise specified)

The Group's reporting structure comprises three operational segments based on XXL's operations in Norway, Sweden, and Finland, in addition to the HQ and Logistics segment.

Norway

The Norwegian operations delivered total operating revenue of NOK 884 million in the second quarter 2024 compared to NOK 963 million in the same quarter last year, representing a negative growth of 8.2 per cent. XXL experienced growth on consumables on lower price points, but this was counteracted by low demand for capital-intensive products on higher price points. The decline in revenue is also explained by low product availability and higher campaign activities in Q2 2023.

Gross margin improved to 37.9 per cent (29.3 per cent), driven by healthier inventories and strict price control, partly counteracted by more campaign activity late in the quarter. Also, gross margin in Q2 2023 was negatively impacted by the additional write down of inventory of 2.3 percentage points.

Operating expenses as percentage of sales ended at 21.2 per cent (20.0 per cent) impacted by a negative like for like growth of 12.3 per cent hurting scale in the operations. However, operating expenses in absolute value are lower than last year by approximately NOK 6 million despite one more store.

EBITDA amounted to NOK 148 million (NOK 90 million).

Sweden

Total operating revenue for XXL in Sweden in Q2 2024 amounted to NOK 560 million (NOK 594 million) corresponding to a negative growth of 4.9 per cent in local currency. The Swedish market is showing early signs of improvement and XXL has growth in several categories related to soft goods and consumables on lower price points. However, the growth is hampered by low demand and sales of hardware products and capital-intensive products on higher price points. The decline in revenue is also explained by low product availability and higher campaign activities in Q2 2023.

Gross margin improved to 32.2 per cent (24.3 per cent) driven by healthier inventory levels and lower clearance activities and stricter price control. Also, gross margin in Q2 2023 was negatively impacted by the additional write down of inventory of 4.9 percentage points.

Operating expenses as percentage of sales ended at 32.2 per cent (30.8 per cent) explained by the negative like for like growth hampering scale in operations.

EBITDA is NOK 0 million (negative of NOK 39 million), driven by lower sales compensated by higher gross margin.

Finland

Total operating revenue in the quarter amounted to NOK 332 million (NOK 390 million). This corresponded to a negative growth of 14.0 per cent in local currency in a still challenging market with weak consumer sentiment and low demand. The development is also explained by reduced product availability, especially on consumables on lower price points. In March 2024 XXL closed its store in Redi, Helsinki, explaining NOK 10 million of the sales shortfall in Q2 versus last year.

Gross margin ended at 35.5 per cent (28.6 per cent) due to less clearance activities and stricter price control. Also, gross margin in Q2 2023 was negatively impacted by the additional write down of inventory of 4.1 percentage points.

Operating expenses as percentage of sales ended at 30.3 per cent in Q2 2024 (27.6 per cent) due to negative growth hurting scale in the operations. The cost base in local currency was lower than last year.

EBITDA amounted to NOK 17 million in Q2 2024 (NOK 4 million).

HQ and Logistics

The HQ and Logistics segment consists of costs related to the Group's headquarter and logistics operations including two central warehouses.

Operating expenses were NOK 126 million (NOK 112 million) in Q2 2024. XXL has continued to address the HQ cost base to adapt to the current sales development. However, the increased costs versus last year are related to costs of the private placement and subsequent offering. In addition XXL has timing effects of released bonus accruals of NOK 7

million.

Financials

Consolidated income statement – Second quarter

(Figures in brackets = same period previous year, unless otherwise specified)

Total operating revenue decreased by 8.7 per cent to NOK 1 776 million (NOK 1 946 million).

Total operating expenses excluding depreciation, impairment losses and cost of goods sold equaled NOK 594 million (NOK 595 million) in the second quarter. As percentage of total operating revenue of the Group, operating expenses increased from 30.6 per cent in the second quarter last year to 33.4 per cent in the second quarter this year.

Operating income amounted to negative NOK 151 million (negative NOK 249 million). The change is solely explained by the higher gross margin as described above.

Net financial expense amounted to NOK 52 million for the second quarter (net financial expense of NOK 62 million) of which NOK 19 million is related to IFRS 16 effects compared to NOK 22 million in Q2 2023. NOK 14 million is related to MAP/APA (see note 9 for further details). Net interest expense at NOK 21 million (NOK 25 million). Net financial expenses included a positive currency effect of NOK 8 million compared to a negative currency effect of NOK 8 million last year. Other financial expenses of NOK 6 million were related to amortization of capitalized borrowing costs and other financial costs.

Income tax expense for the second quarter was NOK 80 million (negative NOK 64 million). NOK 72 million relates to the ongoing MAP-APA case which is expected to have limited net cash effect. XXL has been informed by the Norwegian competent authority that the tax authorities have reached an agreement for the income years 2015-2018 (MAP-agreement). The details required to calculate the net tax effects of the agreement for the XXL group have not yet been clarified, but XXL has estimated NOK 72 million, and the Company has yet to be presented with an agreement for the income years 2019-2022 (APA-agreement), hence the total net tax effect is uncertain. However, the Company believes that the NOK 90 million already paid should be sufficient to cover the net tax payment obligations of the group relating to the tax reassessment when both jurisdictions and MAP/APA procedures are considered. See note 9 for further details.

Profit for the period negative of NOK 283 million (negative NOK 246 million).

Consolidated income statement – First half year

(Figures in brackets = same period previous year, unless otherwise specified)

Total operating revenue decreased by 15.2 per cent to NOK 3 334 million (NOK 3 930 million).

Total operating expenses excluding depreciation and cost of goods sold equaled NOK 1 187 million (NOK 1 262 million) in the first half year. As a percentage of total operating revenue of the Group, operating expenses increased from 32.1 per cent in the first half of last year to 35.6 per cent this year.

Operating income amounted to negative NOK 339 million (negative NOK 488 million). The change is attributable to OPEX savings of NOK 76 million and margin improvements of NOK 79 million.

Net financial expense amounted to NOK 73 million for the first half year (net financial expense of NOK 106 million) of which NOK 40 million is related to IFRS 16 effects compared to NOK 45 million last year and NOK 14 million is related to MAP/APA (see note 9 for further details). Net interest expense NOK 41 million (net interest NOK 55 million), explained by lower interest bearing debt. Net financial expenses included a positive currency effect of NOK 29 million compared to a positive currency effect of NOK 10 million last year. Other financial expenses of NOK 8 million were related to amortization of capitalized borrowing costs and other financial costs.

Income tax expense of NOK 79 million (negative of NOK 123 million). NOK 72 million relates to the ongoing MAP-APA case which is expected to have limited net cash effect. XXL has been informed by the Norwegian competent authority that the tax authorities have reached an agreement for the income years 2015-2018 (MAP-agreement). The details required to calculate the net tax effects of the agreement for the XXL group have not yet been clarified, but XXL has estimated NOK 72 million, and the Company has yet to be presented with an agreement for the income years 2019-2022 (APA-agreement), hence the total net tax effect is uncertain. However, the Company believes that the NOK 90 million already paid should be sufficient to cover the net tax payment obligations of the group relating to the tax reassessment when both jurisdictions and MAP/APA procedures are considered. See note 9 for further details.

Profit for the period negative of NOK 491 million (negative NOK 472 million).

Consolidated cash flow – First half of 2024

(Figures in brackets = same period previous year, unless otherwise specified)

Cash used by operating activities was negative by NOK 149 million (NOK 168 million) in the first half year of 2024. This was mainly attributable to an increase in working capital of NOK 193 million and negative EBT of NOK 412 million, slightly offset by depreciations and interest payments reclassified to financial activities.

Cash used by investing activities was NOK 42 million (NOK 44 million) in the first half in 2024. This is mainly related to investments to relocation and downsizing of stores and IT projects.

Cash provided by financing activities amounted to NOK 116 million (negative NOK 160 million) in first half year in 2024. The positive cashflow in the second quarter is attributable to private placement of NOK 500 million in April and the subsequent repair offering of NOK 60 million in June, net of transaction cost NOK 547 million. Financing activities with negative cashflow relates to lease payments of NOK 321 million, and repayments and interest on RCF of NOK 109 million.

Financial position and liquidity

(Figures in brackets = same period previous year, unless otherwise specified)

As of 30 June 2024, total assets amounted to NOK 7 291 million (NOK 8 963 million). Total equity was NOK 2 427 million (NOK 3 003 million), resulting in an equity ratio of 33.3 per cent (33.5 per cent), prior to the capital raise described below. Net interest-bearing debt (NIBD) at NOK 894 million (NOK 923 million).

The Group had cash and cash equivalents of NOK 333 million (NOK 539 million) as of 30 June 2024. The Group's liquidity reserves include total credit facilities of NOK 1 000 million where of NOK 850 million was used as of 30 June 2024. Available liquidity reserves as of 30 June 2024 were NOK 483 million (NOK 722 million).

Private placement and Subsequent offering

On 21 March 2024 XXL announced a private placement of NOK 500 million and allocated 535 714 285 new ordinary shares (class A-shares) and 178 571 429 new non-voting shares (class B-shares) at a price of NOK 0.70 per share. The net proceeds from the offering were used for general business purposes hereof NOK 300 million were used to reduce the existing revolving credit facility with DNB ASA and Nordea Bank Abp. The new share capital was registered on 18 April 2024.

XXL also carried out a subsequent offering of 85 714 285 new class A-shares directed towards shareholders not allocated shares or participating in the private placement. The subscription was equal to the subscription price in the private placement, i.e. NOK 0.70 per class A-share. The new share capital was registered on 21 June 2024.

More information about the private placement can be found on <https://newsweb.oslobors.no>.

Summary from the Annual General Meeting

The Annual General Meeting of XXL ASA was held on 4 June 2024. All items were resolved in accordance with the proposals from the Board and the Nominations Committee's recommendations.

Change in the Executive Management team

XXL has appointed Lars Syse Christiansen as the new Group CFO of XXL. Christiansen is an experienced CFO currently chairman of the board for Cardboard and Wanda, companies he has also co-founded. Lars Syse Christiansen is 46 years old and a Norwegian citizen. He holds a Master of Science in

Management from the London School of Economics, as well as a management program in Corporate Finance and Investment Analysis and a Master of Marketing Management from the Norwegian School of Management (BI in Oslo). Before co-founding Wanda, a circular logistics platform, he served as CFO of Otovo AS, a company he co-founded back in 2015. Otovo is a leading online solar sales platform, listed on the Oslo Stock Exchange, with operations in Norway, Sweden, France and Spain. From 2012-2014 he served as CFO in Circle K Europe, a global convenience retail chain. Lars Syse Christiansen has also been CFO in Storebrand Bank ASA as well as Head of Business Development in Posten Norge AS. He is also an experienced Board Member mostly within start-ups and venture companies. He is currently serving on the Board of Ruter AS, a provider of public transport in the Oslo region. Christiansen will join XXL in August 2024.

Outlook

XXL is in the phase of implementing several strategic initiatives and projects to improve profitability and operational efficiency moving forward, called "Reset & Rethink". Five must win battles are expected to deliver an EBITDA uplift of NOK 500-750 million during the next 12 months.

XXL's target and goal moving forward is to come back to sound profitability as well as over time gain market shares in all markets and regain growth in the E-commerce channel.

In line with the existing strategy, XXL will continue to mainly invest in operational efficiency, store footprint optimization, customer experience enhancing projects in both stores and in the E-commerce platform, as well as in IT and tech. Total CAPEX for XXL Group in 2024 is expected to remain modest at around NOK 100-150 million.

XXL has thus far no new store openings signed in 2024. Mid-to long-term XXL continues to expect the pace of the store roll-out to be 2-3 new stores per year including relocations of stores. At the same time XXL will be downsizing several existing stores. Short term the Group will continue to focus on optimizing the store portfolio, including evaluation of selective closures of low performing stores with limited turnaround abilities.

Condensed Consolidated Interim Statements of Income & Comprehensive Income

(Amounts in NOK million)	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023 (Audited)
Total Operating Revenue		1 776	1 946	3 334	3 930	7 961
Cost of goods sold		1 143	1 408	2 096	2 770	5 452
Personnel expenses		359	373	730	809	1 657
Other operating expenses		235	222	457	454	931
Depreciation		191	192	390	386	754
Impairment losses		-	-	-	-	576
Total Operating Expenses		1 928	2 195	3 673	4 418	9 369
Operating Income		-151	-249	-339	-488	-1 409
Net financial expense		-52	-62	-73	-106	-186
Profit before income tax		-203	-310	-412	-594	-1 595
Income tax expense	9	80	-64	79	-123	-5
Net income from Continuing Operations		-283	-246	-491	-472	-1 590
Net income from Discontinued Operations		-	-56	-	-98	-206
Net income for the Period		-283	-302	-491	-569	-1 796
Basic and diluted Earnings per share from continuing operations (NOK)		-0,13	-0,63	-0,25	-1,37	-1,93
Basic and diluted Earnings per share (NOK)		-0,13	-0,78	-0,25	-1,65	-2,18
Other comprehensive income						
Foreign currency rate changes		56	13	56	-35	17
Total Other Income and Expense		56	13	56	-35	17
Total comprehensive income for the period		-226	-289	-435	-604	-1 779
Total comprehensive income attributable to:						
Equity holders of the company		-224	-280	-432	-587	-1 721
Non-controlling interest		-2	-9	-3	-17	-57

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statement of Financial Position

(Amounts in NOK million)	Note	30.06.2024	30.06.2023	31.12.2023 (Audited)
NON CURRENT ASSETS				
Intangible Assets				
Goodwill		2 222	2 744	2 222
Other Intangible Assets		267	268	270
Deferred tax asset		269	286	253
Total Intangible Assets		2 758	3 298	2 745
Fixed Assets		466	563	490
Right of Use Assets	8	1 660	2 021	1 804
Total Non Current Assets		4 884	5 883	5 039
CURRENT ASSETS				
Inventory		1 804	2 123	1 776
Trade and Other Receivables		271	250	320
Cash and Cash Equivalents		333	539	406
Total Current Assets		2 407	2 912	2 502
Total assets of disposal group held for sale		-	168	-
TOTAL ASSETS		7 291	8 963	7 542

(Amounts in NOK million)	Note	30.06.2024	30.06.2023	31.12.2023 (Audited)
SHAREHOLDERS' EQUITY				
Paid-in Capital		4 615	3 535	4 065
Other equity		-2 188	-532	-1 754
Total Shareholders' Equity		2 427	3 003	2 310
Other non-current liabilities				
Interest Bearing Non-Current Liabilities		219	483	276
Lease Liabilities	8	1 391	1 682	1 528
Total non-current liabilities		1 611	2 165	1 804
Current liabilities				
Accounts Payable		875	1 310	908
Lease Liabilities	8	572	602	585
Current Interest Bearing Liabilities		1 008	1 012	1 006
Tax payable		71	-	28
Public duties payable		259	295	342
Other current liabilities		468	439	560
Total current liabilities		3 254	3 658	3 428
TOTAL LIABILITIES		4 864	5 822	5 232
Total liabilities of disposal group held for sale		-	137	-
TOTAL EQUITY AND LIABILITIES		7 291	8 963	7 542

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statement of Cash Flows

					FY 2023
(Amounts in NOK million)	Q2 2024	Q2 2023	H1 2024	H1 2023	(Audited)
Operating Activities					
Profit before tax from continued operations	(203)	(310)	(412)	(594)	(1 595)
Income tax paid	-	-	-	-	-
Depreciation and amortization	191	192	390	386	1 330
Net financial expense	28	62	65	106	165
Changes in inventory	81	131	(28)	206	552
Changes in accounts receivable	(7)	(51)	50	(6)	(44)
Changes in accounts payable	(241)	298	(33)	118	(340)
Changes in other balance sheet items	(22)	(140)	(182)	(80)	103
Cash provided (used) by operating activities from discontinuing operations	-	12	-	33	28
Net cash flow from operating activities	(174)	193	(149)	168	198
Investing Activities					
Investment in fixed assets	(22)	(13)	(42)	(44)	(129)
Net cash flow from investing activities	(22)	(13)	(42)	(44)	(129)
Financing Activities					
Proceeds from share capital increase	560	1	560	501	1 001
Transaction costs	(13)	(7)	(13)	(18)	(35)
Payments from and repayments of borrowings	(18)	(46)	(84)	(546)	(774)
Proceeds from other short term debt	-	342	-	342	342
Interest payments on interest-bearing liabilities	(7)	(26)	(25)	(56)	(95)
Payment of Interest element of lease payments	(19)	(22)	(40)	(43)	(84)
Payments of lease liabilities	(119)	(157)	(281)	(313)	(607)
Cash provided (used) by financing activities from discontinuing operations	-	(12)	-	(26)	(33)
Net cash flow from financing activities	383	72	116	(160)	(285)
Net Change in Cash and Cash Equivalents	187	252	(75)	(36)	(216)
Cash and cash equivalents - beginning of period	142	288	406	575	575
Effect of foreign currency rate changes on cash and equivalents	4	-	2	-	24
Cash and Cash Equivalents (AHS) - End of period	-	32	-	32	23
Cash and Cash Equivalents - End of period	333	572	333	572	406

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statement of Changes in Equity

(Amounts in NOK million)	Share capital	Share premium	Other Paid in Equity	Retained earnings	Foreign Currency Rate Changes	Non-Controlling Interest	Total Shareholders' Equity
Shareholders' Equity 31.12.2022	101	2 900	40	61	-47	10	3 066
Profit for the Period	-	-	-	-549	-	-20	-569
Foreign currency rate changes	-	-	-	-	-	13	13
Total comprehensive income for the interim period	-	-	-	-549	-	-7	-556
Transactions with owners:							
Employee share incentive program	-	-	3	-	-	-	3
Share issue	54	437	-	-	-	-	491
Shareholders' Equity 30.06.2023	155	3 337	43	-488	-47	3	3 003
Shareholders' Equity 31.12.2023	665	3 355	43	-1 670	-30	-54	2 310
Profit for the Period	-	-	-	-485	-	-5	-491
Foreign currency rate changes	-	-	-	-	56	-	56
Total comprehensive income for the interim period	-	-	-	-485	56	-5	-434
Transactions with owners:							
Employee share incentive program	-	-	2	-	-	-	2
Share issue	320	229	-	-	-	-	549
Shareholders' Equity 30.06.2024	985	3 584	45	-2 155	27	-59	2 427

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Notes to the interim financial statements¹⁾

Note 1 General information

XXL ASA and its subsidiaries' (together the "company" or the "Group") operating activities are related to the resale of sports and leisure equipment in the Nordic countries.

All amounts in the interim financial statements are presented in NOK million unless otherwise stated. Due to rounding, there may be differences in the summation columns.

These condensed interim financial statements have not been audited.

Note 2 Basis of preparation

These condensed consolidated interim financial statements for the three- and six-month reporting periods ending 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

Note 3 Accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended 31 December 2023.

Note 4 Estimates, judgments, and assumptions

The preparation of interim financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2023.

¹⁾ Please refer to definitions at the end of the report for descriptions of alternative performance measures

Note 5 Operating Segments

The Group's business is the sale of sports and leisure equipment. Segment performance is reviewed by Management and the Board of Directors as three reportable geographical segments and HQ & Logistics segment. The following presents the Group's revenue by operating segment:

Q2 2024

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics*	Total Cont'Ops
Operating revenue	884	560	332	-	1 776
Gross profit	335	180	118	-	633
EBITDA	148	-0	17	-126	39
Operating Income	69	-49	-23	-149	-151

Q2 2023

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	963	594	390	-	1 946
Gross profit	282	144	112	-	538
EBITDA	90	-39	4	-112	-57
Operating Income	22	-95	-34	-141	-249

H1 2024

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics*	Total Cont'Ops
Operating revenue	1 686	1 041	607	-	3 334
Gross profit	654	364	220	-	1 238
EBITDA	253	25	24	-251	51
Operating Income	97	-77	-54	-304	-339

H1 2023

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	1 967	1 193	771	-	3 931
Gross profit	612	311	237	-	1 160
EBITDA	185	-46	18	-260	-102
Operating Income	48	-160	-57	-319	-488

FY 2023

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	4 049	2 387	1 525	-	7 961
Gross profit	1 342	672	495	-	2 509
EBITDA	425	-28	67	-544	-80
Operating Income	-371	-293	-84	-661	-1 409

Note 6 Related Party Transactions

The Group's related parties include its associates, key Management, members of the Board of Directors and majority shareholders.

There are no major related party transactions for XXL Group during the interim period ended 30 June 2024. Furthermore, none of the Board members have been granted loans or guarantees in the current year or are included in the Group's pension or bonus plans. All related party transactions are concluded on an arm's length basis.

Note 7 Risk Management

A description of main risk factors in XXL is included in Note 20 in the Annual Report for 2023.

Note 8 Right-of-use assets and lease liabilities

The movements of the Group's right-of-use assets and lease liabilities during the year are presented below:

Right of use assets

<i>(Amounts in NOK million)</i>	Buildings, machinery and vehicles
Aquisition cost 01.01.2024	4 658
Additions and adjustments	144
Change incentives	-7
Net exchange differences	3
Aquisition costs 30.06.2024	4 799
Accumulated depreciation and impairment losses 01.01.2024	-2 854
Depreciation	-283
Impairment losses (-) Reversal of losses (+)	0
Transfers and reclassifications	0
Currency exchange differences	-2
Accumulated depreciation and impairment 30.06.2024	-3 139
Total Right-of-Use Assets at 30.06.2024	1 660
Right of Use Assets	1 660

Lease liabilities

(Amounts in NOK million)

Summary of the lease liabilities in the financial statements

Total lease liabilities 01.01.2024	2 112
New lease liabilities recognised in the period and adjustments	137
Leasing payments for the principal portion of the lease liability	-331
Interest expense on lease liabilities	40
Reassessment of the discount rate on previous lease liabilities	0
Currency exchange differences	5
Lease liabilities at 30.06.2024	1 964

whereof:

Current lease liabilities < 1 year	572
Non-current lease liabilities > 1 year	1 391

Note 9 MAP/APA negotiations

Reference is made to the stock exchange announcement on 15 June 2023 regarding a reassessment of taxable income for the subsidiary XXL Sport & Villmark AS relating to the XXL group's international transfer pricing model. Reference is also made to stock exchange announcement dated 3 October 2023 regarding the payment of NOK 90 million to the Norwegian tax authorities in connection with the reassessment.

XXL did not agree with the reassessment and requested negotiations between competent Norwegian and foreign tax authorities to mitigate the net tax effects for the XXL group through adjustments to taxable income in the other relevant jurisdiction pursuant to mechanisms in relevant double taxation treaties between Norway and such jurisdiction. XXL has been informed by the Norwegian competent authority that the tax authorities have reached an agreement for the income years 2015-2018 (MAP-agreement). The details required to calculate the net tax effects of the agreement for the XXL group have not yet been clarified, and the Company has yet to be presented with an agreement for the income years 2019-2022 (APA-agreement), hence the total net tax effect is uncertain. However, the Company believes that the NOK 90 million already paid should be sufficient to cover the net tax payment obligations of the group relating to the tax reassessment when both jurisdictions are considered. XXL will analyze the effects for the XXL group when sufficient information is made available.

In second quarter, XXL have, even though the amounts are uncertain, estimated a net tax expense relating to the MAP/APA negotiations of NOK 72 million and a net interest expense relating to late payment interest of NOK 14 million. The expenses are included in the Condensed Consolidated Interim Income Statement in the lines Income tax expense and Net financial expense respectively.

Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2024 has been prepared in accordance with IAS 34 – Interim Financial Reporting and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Oslo, 11 July 2024
Board of Directors, XXL ASA

Håkan Lundstedt
Chairman

Ronny Blomseth
Board member

Petra Elisabet Axdorff
Board member

Tom Jovik
Board member

Kari Ekelund Thørud
Board member

Freddy Sobin
CEO

Tor Andrin Jacobsen
Board member
Employee representative

Kine Skjønberg Ludvigsen
Board member
Employee representative

Kjell-Arne Fikerud
Board member
Employee representative

Disclaimer

This report includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this notice, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as “believe,” “expect,” “anticipate,” “may,” “assume,” “plan,” “intend,” “will,” “should,” “estimate,” “risk” and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.

Definitions

Alternative Performance Measures (APM)

Certain financial measures and ratios related thereto in this quarterly report, including growth, gross profit, gross margin, EBIT, EBIT margin, EBITDA, EBITDA margin, working capital and Net Interest-Bearing Debt (collectively, the “Non-GAAP Measures”), are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented in this quarterly report because they are among the measures used by Management to evaluate the cash available to fund ongoing, long-term obligations and they are frequently used by other interested parties for valuation purposes or as a common measure of the ability of a company to incur and meet debt service obligations. These measures may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, and you should not consider such items as alternatives to profit for the year, total operating revenues, operating income, or any other performance measures derived in accordance with IFRS, and they may be different from similarly titled measures used by other companies. All amounts in tables below are in NOK million.

All APMs are related to Continuing Operations.

EBIT

Our EBIT represents operating income.

EBIT adj

EBIT adjusted (adj) represents EBIT adjusted for impairment losses in the period.

	Q2'24	Q2'23	H1'24	H1'23	FY23
EBIT	-151	-249	-339	-488	-1 409
+ Impairment Losses	0	0	0	0	576
= EBIT adj	-151	-249	-339	-488	-833

Net Income Adj

Our Net Income adjusted (adj) represents Net Income adjusted for impairment losses in the period.

	Q2'24	Q2'23	H1'24	H1'23	FY23
Net Income	-283	-246	-491	-472	-1 590
+ Impairment Losses	0	0	0	0	576
= Net Income adj	-283	-246	-491	-472	-1 014

EBITDA

Earnings before interest, tax, depreciation, and amortization (EBITDA) is a key financial parameter for XXL. Our EBITDA represents operating income plus depreciation and impairment losses.

	Q2'24	Q2'23	H1'24	H1'23	FY23
Operating Income	-151	-249	-339	-488	-1 409
+ Depreciation	191	192	390	386	754
+ Impairment losses	0	0	0	0	576
= EBITDA	39	-57	51	-102	-80

Like for Like

Like for Like includes comparable stores and E-commerce. Comparable stores are stores that have been open all months of the current year and all months of the previous year. Stores that have been relocated or significantly expanded are excluded from Like for Like stores. Like for Like for the total Group is calculated with FX constant year over year to eliminate the FX effect.

Gross profit / Gross margin

Gross profit represents operating revenue less cost of goods sold. Gross margin is gross profit in per cent of revenue.

	Q2'24	Q2'23	H1'24	H1'23	FY23
Operating revenue	1 776	1 946	3 334	3 930	7 961
÷ Cost of goods sold	1 143	1 408	2 096	2 771	5 452
= Gross profit	633	538	1 238	1 159	2 508
Gross margin	35.7%	27.6%	37.1%	29.5%	31.4%

Working capital

Working capital consists of trade and other receivables, accounts payables, inventory, public duties payable and other current liabilities.

OPEX

OPEX is defined as other operating expenses including personnel expenses but excluding depreciation and amortization.

	Q2'24	Q2'23	H1'24	H1'23	FY'23
Other operating expenses	235	222	457	454	931
+ Personnel expenses	359	373	730	809	1 657
= OPEX	594	595	1 187	1 262	2 588

Net interest-bearing debt (NIBD)

Net interest-bearing liabilities is defined as non-current interest-bearing debt and current interest-bearing liabilities less cash and cash equivalents. NIBD does not include lease liabilities due to IFRS 16. Net debt is a measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength.

	H1'24	H1'23	FY23
Non-Current Interest-Bearing liabilities	219	483	276
+ Current Interest-Bearing liabilities	1 008	1 012	1 006
÷ Cash and Cash Equivalents inc. AHS	333	539	406
÷ Cash and Cash Equivalents (AHS)	0	32	0
= Net Interest-Bearing Debt	894	923	876

CAPEX

Capital expenditure is the sum of purchases of fixed assets and intangible assets as used in our cash flow. Capex is a measure of investments made in the operations in the relevant period and is useful to users of XXL's financial information in evaluating the capital intensity of the operations.

Liquidity reserve

Our liquidity reserve is defined as our available cash and cash equivalents plus available liquidity through overdraft and credit facilities.

	Q2'24	Q2'23	FY23
Cash and Cash Equivalents	333	539	406
+ Cash and Cash Equivalents (AHS)	0	32	0
+ Undrawn Credit Facilities	150	150	354
= Liquidity reserve	483	722	760

Ecommerce

Ecommerce is sales through online sales channels in comparison to sales through retail stores that are physical stores.

Inventory per store

Total inventory divided on number of stores and number of E-commerce markets at end of period.

$$\text{Inventory per store} = \frac{\text{Inventory}}{(\text{Number of stores} + \text{Ecom markets})}$$

IFRS 16 effects affecting EBITDA and EBIT

IFRS 16 was implemented for the Group 1 January 2019. EBITDA ex IFRS 16 effects and EBIT ex IFRS 16 effects represent our EBITDA and EBIT if IFRS 16 had not been implemented, respectively.

Q2'24	XXL Group	NOR	SWE	FIN	HQ & logistics
EBITDA reported	39	148	0	17	-126
IFRS 16 effects OPEX	-159	-64	-49	-31	-14
EBITDA ex IFRS 16 effects	-120	84	-49	-14	-140
EBIT Reported	-151	70	-49	-23	-149
IFRS 16 effects affecting EBIT	-22	-3	-11	-0	-8
EBIT ex IFRS 16 effects	-173	67	-60	-23	-157

H1'24	XXL Group	NOR	SWE	FIN	HQ & logistics
EBITDA reported	51	254	25	24	-251
IFRS 16 effects OPEX	-321	-130	-99	-64	-28
EBITDA ex IFRS 16 effects	-270	124	-74	-40	-279
EBIT Reported	-339	97	-77	-54	-304
IFRS 16 effects affecting EBIT	-39	-5	-22	-3	-10
EBIT ex IFRS 16 effects	-378	92	-99	-57	-314

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FINANCIAL CALENDAR	
Q3 Results	6.11.2024

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